From: KEVIN KEATING DEC-15-2009 11:14 To: 17182546081

CERTIFIED TITLE

03/03/2010 13:45

#849 P. 002/008

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UNITED STATES DISTRICT COURT BASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA.

Plaintiff,

against -

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IDEAL MORTGAGE BANKERS LTD., d/b/a LEND AMERICA, and MICHAEL HOWARD ASHLEY

Defendants.

CONSENT DECREE AND JUDGMENT

Civil Action No. 09-4484

(Bianco, J.)

(Wall, M.J.)

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WHEREAS, the United States commenced this action against Defendants Ideal Mortgage Bankers, Ltd. d/b/a Lend America ("Lend America"), a mortgage lender participating in the United States Department of Housing and Urban Development's ("HUD") Direct Endorsement Program, and Michael Howard Ashley ("ASHLRY") (Lend America and ASHLEY are referred to collectively as "Defendants"), by filing a complaint in this Court (the "Complaint"); and

WHEREAS, on consent of the parties, the Court has doesned the Complaint in this action to be amended pursuant to Fed. R. Civ. P. 15 and the inherent power of the Court, as a matter of course, to include assertions set forth in the Supplemental Declaration of Special Agent Martin Sullivan dated November 19, 2009; and

WHEREAS, the Complaint as amended, whose allegations are incorporated by reference herein, states claims for relief under the Fraud Injunction Statute, 18 U.S.C. § 1345, based on the Defendants engaging in the following five categories of ongoing schemes to defraud the United and retion against Defendants Vent Man

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United States v. Idea) Mortgage Bankers, Ltd. and Minhael H. Ashley EDNY No. 09-4484 (IFB)(WDW) Consent Decree and Judgment

- A. Misrepresenting and making materially false certifications to HUD that Lend America was complying with its obligations as a Direct Endorsement mortgages, when in fact it was intentionally disregarding its obligations;
- B. Intentionally manipulating the loan applications and documentation supporting endorsement for FHA insurance of unqualified borrowers, so that it appeared that the borrowers qualify for mortgage loans insured by the United States Federal Housing Administration ("FHA");
- Routinely and knowingly failing to timely fund FHA-insured refinanced loans;
- D. Engaging in, with respect to each of the loan applications described in the Complaint as amended by the assertions set forth in the Supplemental Declaration of Special Agent Martin Sullivan, individual schemes to defraud, where Defendants not only (i) actively misrepresented and omitted material facts, but also (ii) made materially false certifications concerning the loans that Lend America originated and endorsed for FHA insurance; and
 - E. Concealing each offitteese schemes from detection by HUD, which tracks mortgage delinquency and default rates by each FHA-approved mortgage lender to detect problems in loan origination; and

United States and ideal Montage in the milities and denies liability as to the allegations set forth in Consent Decree and Markett Property of the Consent

the Complaint as amended; and

WHEREAS, the United States and ASILLEY wish to resolve this action without further

Associate contribuations to HUD test

litigation; and property of the married of the

WHERBAS, effective as of 12:01 A.M. on Monday, December 7, 2009, ASHLEY's relationship with Lend America was ferminated in all respects;

NOW THEREFORE, it is hereby ORDERED, ADJUDGED and DECREED that,

D. Rugagian in with William to the himself applications described

pursuant to 18 U.S.C. § 1345 and the himself power of this Court: the Supplemental Dec

1. ASHLEY is permanently enjoined from directly or indirectly using the mails or

wire transmissions to fraudulently engage in any of the conduct proscribed as set forth in

paragraph 2 s-i herein in a come of dyacts something from describe by HUD, which is mortge, a delinquency and default in a by cach FliA-approved morige on

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United States v. Ideal Mortgage Bankers, Ltd. and Michael H. Ashley BDNY No. 09-4484 (JFB)(WDW) Consent Decree and Judgment

- ASHLEY is permanently enjoined from directly or indirectly: 2.
 - originating, underwriting, endorsing for FHA insurance, or a. submitting to HUD any loans for FHA insurance coverage;
 - submitting claims for FHA insurance coverage on loans in default; b.
 - advertising, marketing or soliciting business to originate or C. otherwise make federally related or federally-insured home mortgage loans, including but not limited to, those loans defined in the Real-Estate Serilement Procedures Act, 12 U.S.C. § 2602(1);
- participating in the Direct Endorsement Program or Lender d. Insurance Program in any manner, including but not limited to owning, employing, supervising, directing, reviewing, advising, or acting as a Supervised Mortgagee, a Non-Supervised Mortgagee, a Non-Supervised Loan Correspondent, a Supervised Loan Correspondent, or an Investing Mortgagee, Appraiser, Home Equity Conversion Mortgage ("HECM") Servicer, Housing Counterfor, Loan Officer, Loan Processor, Property Inspector, Quality Control Officer, Section 203(K) Consultant, or Underwriter, as these terms are defined in the United States United that is a little Manage to be DEDMY ROUGH HEAR (SEE (MENY) Departificat of Housing and Urban Development's regulations and Consent Linux o and Judgament handbooks;
 - ABT EN 13 9 in addition to the Direct Endorsement or Lender Insurance Programs, participating in any way in any program concerning federally related or insured home mortgage loans, including but not limited to programs concerning those loans defined in the Real Retate Settlement Procedures Act, 12 U.S.C. § 2602(1);
 - holding of any ownership or partnership interest whatsoever, £. whether direct or indirect, in any entity whatsoever that engages in the conduct described in paragraph 2.8-e herein; we to anside the
 - Teach Laurie Series and Proposition : Aut. 12 1; being exployed in any capacity, whether directly or indirectly, by g. any entity whatsoever that engages in the conduct described in paragraph 2 a-c herein, including but not limited to employment as a strategiet or consultant; were to be experienced and a later
 - servingues an officer for any entity whatsoever that engages in the h. conduct described in paragraph 2 a-e herein;
 - deriving income or receiving monies or things of value, tangible or Ĺ intengible, whether directly or indirectly, from any entity whatsoever that engages in the conduct described in paragraph 2 ae herein

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United States v. Ideal Mortgage Bankers, Lpd. and Michael H. Ashley EDNY No. 09-4484 (IFB)(WDW) Consent Decree and Judgment

- 3. ASHLEY will not have any relationship with Lend America, its successors in interest, corporate affiliates, subsidiaries owned in whole or part, or any other company or entity affiliated with Lend America in any fashion.
- ASHLEY hereby waives any and all defenses to the allegations set forth in the Complaint as amended, including, but not limited to, statute of limitations, double jeopardy, laches, or excessive fines.
- Default as to any of the foregoing provisions by ASHLEY will be considered a MKEALTHAN 03/02/2010 12 default as to all provisions, at the last of the considered a default as to all provisions, at the last of the considered and the considered
- 6. Notwithstanding any, term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement and settlement and resolution of this case as to any entity or person (including ASHLEY) are the following:
 - a. Any civil, criminal, or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code);
- interess. Any criminal liability;
- afficience is a minimum of the control of the contr
 - d. Any civit liability to the United States, outside of the relief sought under 18 U.S.C. § 1345 for this case, including, but not limited to:

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under 18 USCA are for the grow, helicaling, but nor drained

the Palse Claims Act, 31 U.S.C. § 3729 et seq.;

hubber, or excessive in the li. common law remedies;

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the Pinancial Institutions Reform, Recovery and Enforcement Act, 12 U.S.C. | 1811 et seq.;

iv. Any liability based upon such obligations as are created by

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Consent Decree and Judgment

CERTIFIED TITLE

- 7. This Consent Decree and Judgment shall not be modified except in a writing signed by ASHLEY and the United States and approved by the Court.
- 8. This Consent Decree and Judgment shall be governed by the laws of the United States.
- 9. ASHLEY and the United States agree to bear their own costs and attorney's fees in this action.
- This Consent Decree and Judgment contains the entire agreement between ASHLEY and the United States with respect to the subject matter herein. ASHLEY and the United States acknowledge that there are no understandings relating to the settlement other than those expressly contained in this Consent Decree and Judgment.
 - The undersigned signatories represent that they are fully authorized to enter into the terms and conditions of this Consent Decree and Judgment and to execute and legally hind the Party which he or she represents to this Consent Decree and Judgment.
 - This Court will retain jurisdiction over the enforcement and interpretation of this Consent Decree and Judgment and to resolve all disputes arising hereunder as may be necessary for the construction and enforcement of this Consent Decree and Judgment.

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CERTIFIED TITLE

United States v. Ideal Mortgage Bankers, Ltd. and Michael H. Ashley EDNY No. 09-4484 (JFB)(WDW) Consent Decree and Judgment

MICHAEL ASHLEY

KEVIN KEATING, ESQ. Attorney for Michael Ashley

Dated: December , 2009

By:

KEVIN

Dated: December , 2009

By:

MICHAEL ASHLEY

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VIEW KEAR HANDING State of No

Notary Public in and for the State of New York, do hereby state that on the

5 day of Phil 2009 there did appear before me Michael Ashley, personally known to

me, at Callwa New York, who did in my presence subscribe his name on this

document.

Dated: 17 15 0

day of December, 2009.

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Notary Public

My commission expires:

Dated: Danabar , Stub

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NOTARY

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Notary Ipril

My commission explicit

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To: 17182546081

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United States v. Ideal Mortgage Bankers, Ltd. and Michael H. Ashley BONY No. 09-4484 (JPB)(WDW) Consent Decree and Judgment

CERTIFIED TITLE

THE UNITED STATES OF AMERICA

BENTON J. CAMPBELL. United States Attorney 271 Cadman Plaza East Brooklyn, NY 11201

Dated: December , 2009

KEVAN CLEARY

JAMES KNAPP EDWARD K, NEWMAN

JOHN VAGELATOS

Assistant United States Attorneys

SO ORDERED this _____day of DECEMBER, 2009.

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HONORABLE JOSEPH F. BIANCO UNITED STATES DISTRICT JUDGE

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